

CERTIFICATE OF TRANSMISSION
On this day, the undersigned, _____, sent to the attorneys of record for plaintiffs/defendants a copy of the document by U.S. Mail, postage prepaid, hand-delivered, or by Attorneys Messenger Service. I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

3/18/10 Date Yakima Place
Bruce W. Bailey Signed

COPY

RECEIVED
MAR 19 2010

BY:

Roger W. Bailey
Carlson Boyd & Bailey PLLC
230 S. 2nd St., Suite 202
Yakima, Washington 98901

Phone: (509) 834-6611
Facsimile: (509) 834-6610
E-Mail: rbailey@cbbblawfirm.com

Attorneys for Centrum/Equity Funding.

IN THE SUPERIOR COURT OF WASHINGTON
BENTON COUNTY

CENTURION PROPERTIES III, LLC;
SMI GROUP XIV, LLC,

Plaintiff

NO. 10-2-00301-8

ANSWER & AFFIRMATIVE
DEFENSES

vs.

TOM HAZELRIGG III; AARON
HAZELRIGG, et al.

Defendants.

By way of answer to the Plaintiff's complaint, Defendants Centrum Financial Services, Inc., Equity Funding, LLC and Trident Investments, Inc. (collectively "Defendants") admit and deny as follows:

For purposes of this answer a denial based upon lack of information sufficient to form a belief as to the truth or falsity of an allegation is denominated a "qualified denial." A denial because an allegation pleads a legal

ANSWER & AFFIRMATIVE
DEFENSES

CARLSON BOYD & BAILEY PLLC

230 S. 2nd St., Suite 202
YAKIMA, WASHINGTON 98901
PHONE (509) 834-6611

1 conclusion or otherwise does not properly plead facts to which a response is
2 required is denominated a "contention denial."

3
4 **I. Parties:**

5 1.1 Admit that Centurion Properties III, LLC ("CP3") owns and manages the
6 leasehold interests associated with the Battelle Property (as defined in the
7 Complaint). Deny the remainder of the paragraph.

8 1.2 Qualified Denial.

9 1.3 Qualified Denial.

10 1.4 Qualified Denial.

11 1.5 Qualified Denial.

12 1.6 Qualified Denial.

13 1.7 Qualified Denial.

14 1.8 Admit that Jim Denton is a licensed attorney and that he is the
15 trustee under a deed of trust being foreclosed by Centrum Financial Services,
16 Inc. ("Centrum"). Deny the balance of the allegations contained in the
17 paragraph.
18

19 1.9 Admit Equity Funding, LLC ("Equity Funding") holds the
20 beneficial interest in one or more deeds of trust placed against CP3's interest in
21 the Battelle Property. Deny the balance of the allegations contained in the
22 paragraph.
23

24 1.10 Admit that Centrum holds the beneficial interest in one or more
25 deeds of trust placed against CP3's interest in the Battelle Property. Deny the
26 balance of the allegations contained in the paragraph.
27

28 1.11 Admit that Trident Investments, Inc. has been merged into
29 Centrum. Deny the balance of the allegations contained in the paragraph.
30

31 1.12 Admit.
32
33
34

II. Property Description

2.1 Contention Denial.

III. Facts

3.1 Qualified Denial.

3.2 Qualified Denial.

3.3 Qualified Denial.

3.4 Admit that Centrum, Equity Funding and/or Trident claim the beneficial interests under one or more deeds of trust against the Battelle Property and to such an extent the action by Plaintiff relates to the Battelle Property. Qualified Denial as to the balance of the allegations contained in the paragraph.

3.5 Qualified Denial.

3.6 Qualified Denial.

3.7 Qualified Denial.

3.8 Qualified Denial.

3.9 Qualified Denial.

3.10 Qualified Denial.

3.11 Qualified Denial.

3.12 Qualified Denial.

3.13 Qualified Denial.

3.14 Qualified Denial.

3.15 Qualified Denial.

3.16 Qualified Denial.

3.17 Qualified Denial.

3.18 Qualified Denial.

3.19 Qualified Denial.

3.20 Qualified Denial.

3.21 Qualified Denial.

1 3.22 Defendants admit that they are aware of a consent signed by Mr.
2 Henry. Qualified Denial as to the balance of the paragraph.

3 3.23 Qualified Denial.

4 3.24 Admit that Joe Edmonds and Derek Edmonds are owners of
5 Equity Funding and Centrum. Admit that the Deeds of Trust described in
6 paragraph 3.24 have been recorded against CP3's interest in the Battelle
7 Property or against the Battelle Property. Qualified Denial and denial as to
8 the balance of the allegations contained in the paragraph.
9

10 3.25 Admit that Equity Funding has met with Mr. Henry. Admit that
11 Mr. Henry was told that the money borrowed by certain companies owned by
12 Defendants Hazelrigg had been used to make the down payment and cash
13 collateral deposit to allow CP3 to purchase the Battelle Property. Admit that
14 CP3 gave Equity Funding one or more deeds of trust against CP3's interest in
15 the Battelle Property. Admit that the loans originally made by Equity
16 Funding/Centrum were not secured by deeds of trust against CP3's interest in
17 the Battelle Property. Deny the balance of the allegations contained in the
18 paragraph.
19

20 3.26 Denial and Qualified Denial.

21 3.27 Admit that Equity Funding had discussions with Mr. Henry
22 related to foreclosure of its deeds of trust against CP3's interest in the Battelle
23 Property. Admit that Equity Funding indicated to Mr. Henry that it did want
24 to tell Mr. Henry what communications he should have with GE. Qualified
25 denial and denial as to the balance of the allegations contained in the
26 paragraph.
27

28 3.28 Admit that GE has declared a default on its loans with CP3.
29 Qualified denial and denial as to the balance of the allegations contained in the
30 paragraph.
31

32 3.29 Qualified Denial.

33 3.30 Qualified Denial.
34

1 3.31 Qualified Denial.

2 3.32 Qualified Denial.

3 3.33 Qualified Denial.

4 3.34 Qualified Denial.

5
6 3.35 Admit that Derek Edmonds e-mailed a contract to Mr. Henry on
7 February 1, 2010. Contention denial with respect to what the contract actually
8 says. Deny the balance of the allegations contained in the paragraph.

9
10 3.36 Admit that Derek Edmonds had conversations with GE related to
11 potential loan restructuring. Qualified Denial and denial to the balance of the
12 allegations contained in the paragraph.

13 3.37 Admit that Mr. Henry had negotiations with Equity Funding
14 about paying the loans due to Equity Funding/Centrum. Admit that Centrum
15 recorded a notice of trustee's sale setting February 26, 2010 as the foreclosure
16 sale date. Qualified Denial and denial as to the balance of the allegations
17 contained in the paragraph.

18
19 3.38 Admit that Mr. Henry contacted Derek Edmonds to ask for his
20 cooperation in paying the loans due to Equity Funding/Centrum. Deny the
21 balance of the allegations contained in the paragraph.

22 3.39 Qualified Denial.

23
24 3.40 Admit that Equity Funding, Mr. Henry and Mr. Hazelrigg have
25 had conversations about the possibility of a deed in lieu of foreclosure
26 agreement. Qualified Denial and denial as to the balance of the allegations
27 contained in the paragraph.

28
29 3.41 Admit that Mr. Edmonds forwarded an e-mail to Mr. Henry on
30 February 1, 2010. Contention denial as to the balance of the allegations
31 contained in the paragraph.

IV. - XIII - Claims for Relief

4.1 - 13.1 Defendants Equity Funding, Centrum and Trident deny that Plaintiffs are entitled to any of the relief requested in paragraphs 4.1 through 13.1 and to the extent such paragraphs are deemed to contain allegations, Defendants deny the same.

XIV. Affirmative Defenses

14.1 By way of further answer and affirmative defense the Defendants allege that Plaintiffs are not entitled to the relief requested in the complaint by virtue of: (a) Defendants rights of set-off and/or recoupment; (b) Defendant's rights of contribution and/or indemnity and any other matter constituting an avoidance or affirmative defense. Defendants reserve the right to amend their pleadings to include such additional avoidances or affirmative defenses as may be disclosed by discovery or otherwise.

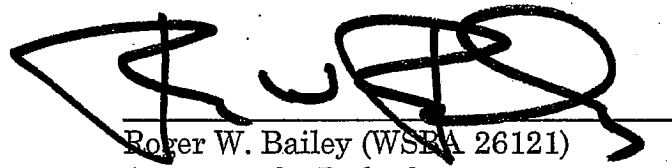
XV. Request for Relief

Defendants respectfully request the Court:

15.1 Enter a judgment denying the relief requested by Plaintiffs and dismissing with prejudice all claims against Defendants.

15.2 Enter a judgment awarding Defendants their attorneys' fees and costs incurred with respect to this matter by to the extent allowed or authorized by statute, common law or any contract between the parties.

1 Dated this 18 day of March, 2010

2
3
4 

5 Royer W. Bailey (WSBA 26121)
6 Attorneys for Defendants
7 Carlson Boyd & Bailey PLLC
8 230 S.2nd St., Suite 202
9 Yakima, Washington 98901
10 Phone: (509) 834-6611
11 Facsimile: (509) 834-6610
12 E-Mail: rbailey@cbbblawfirm.com

13
14 X:\CENTRUM EQUITY FUNDING-21164\General-2010001\Haxebrigg Pleadings\Answer & Affirmative Defenses (FINAL).doc
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34